



State of Wisconsin


LEGISLATIVE REFERENCE BUREAU


RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**


Date Transfer Requested: 06/05/2013 (Per: MDK)


Compile Draft – Appendix B

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Appendix A  The 2013 drafting file for LRBb0229

Appendix B  The 2013 drafting file for LRBb0230

Appendix C  The 2013 drafting file for LRBb0264

Appendix C  The 2013 drafting file for LRBb0280

has been transferred to the drafting file for

2013 LRBb0282

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB40)

Received: **5/27/2013** Received By: **pgrant**
Wanted: **As time permits** Same as LRB:
For: **Legislative Fiscal Bureau 266-5996** By/Representing: **Pope**
May Contact: Drafter: **pgrant**
Subject: **Higher Education - UW System** Addl. Drafters:
Extra Copies: **MDK**

Submit via email: **YES**
Requester's email: **Legislative Fiscal Bureau**
Carbon copy (CC) to:

Pre Topic:

LFB:.....Pope -

Topic:

Allocation of funds for Carbone Cancer Center

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pgrant 5/27/2013	wjackson 5/27/2013	rschluet 5/28/2013	_____			
/1				_____	mbarman 5/28/2013		

FE Sent For:

<END>

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB40)

Received: **5/27/2013** Received By: **pgrant**
Wanted: **As time permits** Same as LRB:
For: **Legislative Fiscal Bureau 266-5996** By/Representing: **Emily Pope**
May Contact: Drafter: **pgrant**
Subject: **Higher Education - UW System** Addl. Drafters:
Extra Copies: **MDK**

Submit via email: **YES**
Requester's email: **Legislative Fiscal Bureau**
Carbon copy (CC) to:

Pre Topic:

LFB:.....**Emily Pope** -

Topic:


Allocation of funds for Carbone Cancer Center

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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1?	pgrant	1 w/ 5/27		==			
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FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

May 23, 2013

Joint Committee on Finance

Paper #678

Carbone Cancer Center (UW System)

[LFB 2013-15 Budget Summary: Page 480, #6]

CURRENT LAW

No provision.

GOVERNOR

Provide \$3,750,000 GPR in 2013-14 in a new biennial appropriation for translational imaging research and require that the funds provided be used for costs incurred by the University of Wisconsin Carbone Cancer Center related to translational imaging research, research imaging and scanning, research imaging equipment, and the Wisconsin Oncology Network. Require the center to submit a plan to the Secretary of the Department of Administration (DOA) for raising an additional \$3,750,000 from federal, private, and other sources for the same purposes. Prohibit the release of funds from the appropriation unless the DOA Secretary approves the center's fundraising plan.

DISCUSSION POINTS

1. Molecular imaging technology has the potential to improve both the diagnosis and treatment of cancer. Advances in molecular imaging technology could allow doctors to develop and use molecular tracers to detect cancerous cells. This would allow doctors to diagnose patients and begin treatment earlier than is currently possible. Tracers could also be used to evaluate the effectiveness of a particular treatment for an individual patient, so that doctors could identify more quickly whether a particular treatment is working for a given patient and make modifications to the patient's treatment as necessary. In this way, the use of molecular imaging technology and molecular tracers could accelerate and personalize cancer treatment.

2. With these funds, the Carbone Cancer Center would build on the existing Wisconsin Oncology Network (WON) to create the Wisconsin Oncology Network of Imaging Excellence (WONIX). WON is a network of 17 oncology care institutions with sites throughout the state including in Antigo, Appleton, Beloit, Green Bay, Janesville, Johnson Creek, La Crosse, Manitowoc, Waukesha, Wausau, and Wisconsin Rapids. The WON network was created to allow researchers at the Cancer Center to conduct clinical trials throughout the state benefiting both the researchers, who have a larger pool of potential study participants, and the patients, who have access to experimental treatments that may otherwise be available only in Madison.

3. The development of WONIX would similarly allow researchers at the Cancer Center to conduct clinical trials using molecular imaging technology throughout the state, giving patients access to experimental treatments that are currently only available in Madison. The creation of WONIX could also make the Cancer Center more competitive for federal and private research grants and increase the amount of those funds the Cancer Center is able to attract. To develop WONIX, researchers at the Cancer Center would work with radiologists and medical physicists at each of the sites to ensure quality and consistency in imaging procedures.

4. The UW School of Medicine and Public Health (UWSMPH) announced in September, 2012, that it had entered into a 10-year research agreement with GE Healthcare through which the company would provide up to \$32.9 million in research support to the Departments of Radiology and Medical Physics. This support would include diagnostic imaging equipment and research staff as well as cash funding. According to Cancer Center staff, UW researchers would use the support provided by GE Healthcare and other sources to develop new molecular tracers, improve existing imaging hardware, and develop new software that could be used to analyze scans. Once developed, the tracers, hardware, and software could be commercialized, possibly leading to the creation of additional jobs in the region and generating additional funding for the cancer center.

5. Recent biennial budgets have similarly provided GPR funding for specific research projects. For example, the 2005-07 budget provided \$1,000,000 annually for Alzheimer's disease research. The 2007-09 budget provided \$2,500,000 in 2008-09 to the UWSMPH for lung cancer research. Under that provision, UWSMPH could not expend the GPR funding provided until it had received \$2,500,000 in gifts and grants for the same purpose. The 2007-09 budget also provided \$200,000 annually for the islet transplantation program at UWSMPH. The 2009-11 budget provided \$2,000,000 for the Wisconsin Genomics Initiative in 2009-10.

6. This proposal is most similar to the funding that was provided for lung cancer under the 2007-09 biennial budget (2007 Act 20) in that it would be provided on a one-time basis and would require an equal amount of non-state matching funds. Under the Governor's budget recommendations, no funding could be released for this purpose until the cancer center has submitted a fundraising plan to the DOA Secretary and DOA Secretary has approved that plan. Under the 2007 Act 20 provision, the Board of Regents could only spend the \$2,500,000 GPR provided for lung cancer research if it had received \$2,500,000 in gifts and grants from private sources to support such research. To be consistent with past practice and to ensure that the Cancer Center actually receives an equal amount of non-state gifts and grants, as opposed to merely developing a fundraising plan, the Committee could delete the language requiring the Cancer Center

to submit a fundraising plan and, instead, specify that the Board of Regents could only spend the funding provided if it had received \$3,750,000 in gifts and grants from non-state sources to support such research.

7. The Friends of Carbone Cancer Center initially requested \$3.75 million in each year of the biennium for molecular imaging research for a total of \$7.5 million over the biennium. The proposed annual budget included \$1,525,500 for salaries and fringe benefits, \$1,320,000 for scanning costs, and \$904,500 for other non-staff costs. (Although the proposed budget includes salary and fringe benefit costs, the Governor's budget would not provide any positions related to this provision.) Given that the Governor's budget provides a lesser amount of funding (\$3.75 million over the biennium) and the Friends group has not provided a revised budget, it is unclear how the funds would be spent if provided. As an alternative, the Committee may wish to require the Cancer Center to submit an expenditure plan to the Joint Committee on Finance for approval through a 14-day passive review process and specify that none of the funds provided may be expended until that plan has been approved.

8. In general, GPR funding for research and for specific research projects has been provided in the UW System's general program operations appropriation. The UW System's 2012 research report shows that the Board of Regents allocated \$96,875,400 from its GPR appropriation for general program operations to research activities in 2011-12. This figure includes \$14,075,490 that was provided for research projects mandated by the Legislature in previous state budgets. As an alternative to AB 40, the proposed funding could be provided in the UW System's GPR general program operations appropriation. This would be consistent with past practice as well as the "block grant" funding approach the Legislature adopted for the UW System under 2011 Act 32. One drawback to this approach is that the UW System's GPR general program operations appropriation is an annual appropriation, meaning that the funding could only be spent in the year in which it is provided as opposed to either year of the biennium as currently proposed. If the funding is provided in the UW System's GPR "block grant" appropriation, it could be provided as one-time funding in the second year of the biennium, which would give the cancer center additional time to secure matching funds and to develop an expenditure plan.

9. Another provision of the Governor's budget would provide \$10 million annually to create a new incentive grant program. Under that provision, the Board of Regents would award grants to UW institutions to fund certain activities, including those that would "increase or enhance research development." As the Carbone Cancer Center could be eligible for a grant under the proposed incentive grant program, the Committee may wish to instead provide the funding in the new incentive grants appropriation. Under this alternative, the Cancer Center would be required to submit an application to the Board of Regents and compete with other UW institutions in order to receive funding.

10. In a letter to the Committee dated May 15, 2013, the DOA Secretary recommended that funding for translational imaging research be provided through the UW System's program revenue block grant instead of through the new GPR appropriation that would be created for this purpose under the bill. As an alternative, the Committee could require the Board of Regents to allocate \$3.75 million over the biennium from its program revenue appropriation for general

program operations for translational imaging research.

ALTERNATIVES

1. Approve the Governor's recommendation. This would provide \$3,750,000 GPR in 2013-14 in a new biennial appropriation for translation imaging research.

2. Modify the provision as recommended by the DOA Secretary in his May 15 letter to the Committee, including: (a) delete \$3,750,000 GPR in 2013-14 and the related appropriation; and (b) require the Board of Regents to allocate \$3,750,000 over the biennium from its program revenue appropriation for general program operations to translational imaging research.

ALT 2	Change to Bill Funding
GPR	-\$3,750,000

3. Provide the funding recommended by the Governor but delete the language requiring the Carbone Cancer Center to submit a fundraising plan to the DOA Secretary and prohibiting the release of the appropriated funds until the DOA Secretary has approved the fundraising plan. Instead, specify that the Carbone Cancer Center could not expend the state funding provided until it has demonstrated that \$3,750,000 from federal, private, and other sources has been secured for the same purpose.

4. In addition to Alternative 3, require the Carbone Cancer Center to submit an expenditure plan to the Joint Committee on Finance for approval through a 14-day passive review process and specify that none of the funds provided may be expended until that plan has been approved.

5. Provide the funding in the UW System's GPR "block grant" appropriation in the second year of the biennium. Specify that this funding would be excluded from the UW System's base budget for the purpose of preparing the 2015-17 biennial budget.

6. Delete provision. Instead, increase the amount of funding provided for incentive grants by \$3,750,000 in 2013-14, from which the Carbone Cancer Center could apply for a grant from the UW System Board of Regents.

7. Delete provision.

ALT 7	Change to Bill Funding
GPR	-\$3,750,000

① g: transfer allocation - i.e.,
allocation only for biennium?
or statutory, i.e. annually?
demonstrates ... to whom?
② "g.p.s" ?

Prepared by: Emily Pope

2013

Date (time)
needed

LRB b 02301 /

**LFB BUDGET AMENDMENT
[ONLY FOR LFB]**

PG: WLJ: /

See form **AMENDMENTS — COMPONENTS & ITEMS.**

LPS: CMH
Said she fixed
the request sheet
to use last name
of analyst only.

**LFB AMENDMENT
TO 2013 ASSEMBLY BILL 40**

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

✓ #. Page 170, line 6.: delete that line

✓ #. Page 344, line 12.: delete lines 12 to 15

✓ #. Page 422, line 19.: delete lines 19 to 24
20
18

✓ #. Page 423, line 1.: delete lines 1 to 7

✓ #. Page 1043, line 20.: after that line insert

#. Page . . . , line

20.285 (1) (f) *Translational imaging research*. Biennially, the amounts in the schedule for costs incurred by the University of Wisconsin Carbone Cancer Center that are specified in s. 36.25 (13w) (b).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 36.25 (13w) of the statutes is created to read:

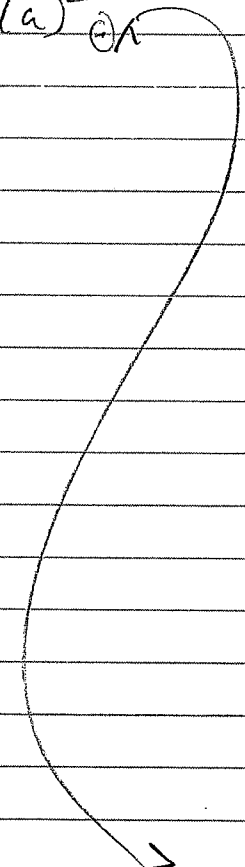
venstat
11/4/13
~~36.25 (13w)~~ TRANSLATIONAL IMAGING RESEARCH. (a) In this subsection, "center" means the University of Wisconsin Carbone Cancer Center.

create A.R. X
cjs
(a) ~~Subject to par. (c), the board shall use~~ the moneys appropriated under s. 20.285 (1) (f) for costs incurred by the ^{University of Wisconsin Carbone Cancer} center that relate to translational imaging research, research imaging and scanning, research imaging equipment, and the Wisconsin Oncology Network.

(b) ~~The center shall submit a plan to the secretary of administration for raising funds, in an amount equal to the amount appropriated under s. 20.285 (1) (f), from federal, private, or other sources to help defray the costs specified in par. (b). No moneys may be released from the appropriation under s. 20.285 (1) (f) unless the secretary approves the plan.~~

2-12
Wisconsin
(g) of the statutes, the Board of Regents of the University of Wisconsin shall allocate \$3,750,000 in the 2013-15 fiscal biennium.

⑨ (c) The board of regents shall submit
to the joint committee on finance a
plan for the expenditure of the funds
allocated under paragraph (a)^k ~~(USE A.R. X)~~ cjs



(Not)

board of regents

If the cochairpersons of the joint committee on finance do not notify the ~~secretary~~ within 14 working

board

days after the date on which the ~~secretary~~ submits the plan ~~under sub (1)~~ that the committee has

board may expend the funds as provided in

scheduled a meeting for the purpose of reviewing the plan, the ~~secretary~~ shall implement the plan. If,

board of regents

within 14 working days after the date on which the ~~secretary~~ submits the plan, the cochairpersons of

board

the joint committee on finance notify the ~~secretary~~ that the committee has scheduled a meeting for the

board

for the expenditure of the funds

purpose of reviewing the plan, the ~~secretary~~ may implement the plan only as approved, or modified and

approved, by the committee.

✓

(End)

(from s. 85.62(2))

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

2-12

Use A.R.A.

(No 9)

The board of regents may not expend the funds allocated under paragraph (a) unless it receives an equivalent amount for the same purpose

~~2-15~~

~~9-15~~

(DN)

PG: Wlj's

Emily J.

(H) 1. This draft includes item 5 from motion 4340

(H) 2. I the draft correct in requiring the allocation only in the 2013-15 fiscal biennium?
Or should the allocation be required ⁱⁿ every biennium?

(H) 3. I did not include language requiring the board to demonstrate that it has received an equivalent amount from other sources because it wasn't clear to me to whom it would need to demonstrate the receipt of the funds.

(H) 4. Alternative 1 of Paper ⁶⁷⁸ 678 requires ~~only~~ ^{translational} that the funds ~~be~~ allocated to transactional imaging research. Showered the material in

STATE OF WISCONSIN – LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

paragraph (a) in the nonstatutory
provision be modified by deleting
^ research imaging and scanning, ^ research
imaging equipment ^ and the Wisconsin
Oncology Network ^?

PE

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0230/1dn
PG:wlj:rs

May 28, 2013

Emily:

1. This draft includes item 5 from motion 434.
2. Is the draft correct in requiring the allocation only in the 2013–15 fiscal biennium? Or should the allocation be required in every biennium?
3. I did not include language requiring the board to demonstrate that it has received an equivalent amount from other sources because it wasn't clear to me to whom it would need to demonstrate the receipt of funds.
4. Alternative 1 of Paper 678 requires that the funds be allocated to translational imaging research. Should the material in paragraph (a) in the nonstatutory provision be modified by deleting "research imaging and scanning, research imaging equipment, and the Wisconsin Oncology Network"?

Peter R. Grant
Managing Attorney
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State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0230/1
PG:wlj:rs

LFB:.....Pope – Allocation of funds for Carbone Cancer Center

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL 40

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 346, line 12: delete lines 12 to 15.

3 **2.** Page 422, line 20: delete lines 20 to 24.

4 **3.** Page 423, line 1: delete lines 1 to 7.

5 **4.** Page 1043, line 20: after that line insert:

6 “(4i) TRANSLATIONAL IMAGING RESEARCH.

7 (a) Of the moneys appropriated under section 20.285 (1) (gb) of the statutes, the
8 Board of Regents of the University of Wisconsin System shall allocate \$3,750,000 in
9 the 2013-15 fiscal biennium for costs incurred by the University of Wisconsin
10 Carbone Cancer Center that relate to translational imaging research, research

1 imaging and scanning, research imaging equipment, and the Wisconsin Oncology
2 Network.

3 (b) The Board of Regents may not expend the funds allocated under paragraph
4 (a) unless it receives an equivalent amount for the same purpose from federal,
5 private, or other sources.

6 (c) The Board of Regents shall submit to the joint committee on finance a plan
7 for the expenditure of the funds allocated under paragraph (a). If the cochairpersons
8 of the joint committee on finance do not notify the board of regents within 14 working
9 days after the date on which the board submits the plan that the committee has
10 scheduled a meeting for the purpose of reviewing the plan, the board may expend the
11 funds as provided in the plan. If, within 14 working days after the date on which the
12 board of regents submits the plan, the cochairpersons of the joint committee on
13 finance notify the board that the committee has scheduled a meeting for the purpose
14 of reviewing the plan, the board may implement the plan for the expenditure of the
15 funds only as approved, or modified and approved, by the committee.”.

16 (END)